

EXHIBIT 1

Mike Jaska

From: Bill Best
Sent: Thursday, April 08, 2004 8:01 AM
To: 'aaron.smith@delphi.com'
Cc: STEVE BAXTER; Mike Jaska; David Kelley
Subject: Saturn Control Arm Assemblies



GENERAL PRODUCTS CORPORATION

2400 EAST SOUTH STREET
JACKSON, MICHIGAN 49201
517-764-2730
(Fax) 517-764-5843

April 7, 2004

Aaron Smith
Delphi Purchasing
aaron.smith@delphi.com

Subject: Saturn Control Arm Assemblies

Dear Aaron;

Thank you for your response of 4/6/04, however, the clarity of two main issues remains very vague to General Products. No firm schedules have been provided to us as past practices of 830 releases and current terms and conditions do not constitute authorization to procure or fab material.

Firm Delphi balance out requirements are still a moving target since you provided quantities for balance/out planning purpose only and advised us to check with Saginaw materials department on 4/16 for updated requirements.

With regards to the cancellation charges a further breakdown of the \$948,000 will be provided to you by the end of the business this week. You've acknowledged receipt of our charges but cannot accept them pending resolution from your customer, General Motors Corp. The wait and see position by Delphi puts General Products in an uncompromising situation that we cannot accept.

As a result General Products will ship this week's requirement of 888 pair released on Tuesday, 4/6/04. Subsequent requirements are in a suspended ship mode and no more control arm castings will be ordered until balance out quantities and cancellation charges are agreed upon by both companies.

General Products desires to work through these issues with Delphi, however, Delphi must acknowledge responsibility for this cancelled program and provide specific data as to an ending point and determine how much product is required to that time. This is a unique situation since this is the only product we supply for Delphi.

General Products has an excess inventory of control arm components due to the lead times of suppliers in Europe, however, we do not have sufficient castings in inventory to satisfy future requirements. Lead times for castings is four (4) weeks and we must order now to cover requirements.

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Please note that the point of contact from now until the program ends is the General Products' Sales Dept, either Mike Jaska at (517) 748-2121, email – mjaska@general-products.com or Bill Best at (517) 748-2112, email – bbest@general-products.com. Release information and faxes, (517) 764-0268, should be sent to the above personnel and information will be communicated to our Angola Shipping Dept.

Please advise when we can meet to resolve these issues. Your prompt reply is appreciated.

Very truly yours,

Bill

Bill Best
Sales Manager

WDB:mh
Cc: S. Baxter D. Kelley M. Jaska

Mike Jaska

From: aaron.smith [aaron.smith@delphi.com]
Sent: Wednesday, April 07, 2004 7:54 PM
To: Bill Best; Wilson, Jeffery L; Bernthal, Larry A; Andary, Robert T
Cc: STEVE BAXTER; David Kelley; Mike Jaska
Subject: RE: Saturn Control Arm Assemblies

Bill,

Please advise to the distribution the inventory of control arm castings.

It is in the best interest of both Delphi and General Products that supply not be interrupted on the LS program. I am asking that Larry Bernthal provide GP with a written balance out quantity if it differs from the schedules that you see in the 830 DELFOR and the attachment that I sent you yesterday.

I will need GP's detailed breakdown sheet on the cancellation charges before any agreement can be made. This information will need to be shared along with the same from Delphi to GM.

Please understand that this program has been cancelled by our mutual customer, General Motors. Delphi has passed on all information we know at this time to General Products.

After you ship this week's total requirement of 888 sets, please treat the 4280 sets needed between 4-21 and 5-18 as the balance out requirements. This will allow GP to order castings to support this requirement.

Aaron

Aaron Smith
Commodity Buyer-Castings
Global Supply Management
Delphi Corporation
Energy & Chassis Systems
248-813-4363
248-813-4599 fax
aaron.smith@delphi.com

Please note that my email suffix has been shortened to @delphi.com

-----Original Message-----

From: Bill Best [mailto:bbest@general-products.com]
Sent: Wednesday, April 07, 2004 5:02 PM
To: Smith, Aaron
Cc: STEVE BAXTER; David Kelley; Mike Jaska
Subject: Saturn Control Arm Assemblies

Mike Jaska

From: aaron.smith [aaron.smith@delphi.com]
Sent: Tuesday, April 06, 2004 7:03 PM
To: Bill Best
Cc: Mike Jaska; John Eads; Joe Yankello; Bernthal, Larry A; Wilson, Jeffery L; Andary, Robert T; Crimes, Ernie
Subject: RE: Saturn Control Arm Assemblies

Bill,

I am responding to your email below.

- 1) Your cancellation charges sent to me on Monday, March 29 2004 are in my possession and I have asked Delphi Sales to discuss program cancellation charges with the ultimate customer, General Motors. Per our conversation today, please provide Delphi detailed breakdowns of the charges. I have attached your email with the basic breakdown for reference.
- 2) Delphi E&C Saginaw's Larry Bernthal provided GP written confirmation of open orders on March 8, 2004 and you confirmed receipt of the email (attached). I understand that Larry has also provided you in the last week a verbal schedule of shipments that are also sent to GP via EDI. I have prepared a simple excel spreadsheet that shows the required daily shipments (in sets) for GP starting April 21 lasting through May 18, 2004. (4280 sets total). This should match up to Larry's verbal as well as electronic communication of forecasts.
- 3) I do not agree with your statement of GP being "totally in the dark". EDI releases have been sent to GP and Larry has sent emails and I am sure he has had verbal discussions with people at your Angola facility. Use the numbers in the excel attachment for balance out/planning purposes. Larry will be conducting an inventory count sometime in the near future and will be able to provide refreshed data to GP if necessary. Please call Larry on Friday April 16 for an update.
- 4) As info, I believe that Wilmington will build its last vehicle around June 11 (this is not confirmed). They will also be down the weeks of April 19 and April 26. Saginaw may not ship any material to Wilmington after the week of May 17.

At this time, I cannot accept any cancellation charges from General Products regarding the Saturn LS program, but, as stated above, I have contacted Delphi Sales for resolution on your request with General Motors. Use the numbers in the spreadsheet attached as balance out production release quantities. Service requirements will need to be determined at a later date. I do not expect supply to be interrupted to Saginaw while we work through the concerns of General Products together.

Thank you for your support.

Aaron

Aaron Smith

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-----Original Message-----

From: Bill Best [mailto:bbest@general-products.com]
Sent: Tuesday, April 06, 2004 2:59 PM
To: Smith, Aaron
Cc: Mike Jaska; John Eads; Joe Yankello; 'larrybernthal@delphi.com'
Subject: Saturn Control Arm Assemblies

Aaron,

Confirming our conversation of today General Products is requesting your immediate assistance in resolving the cancellation of the Saturn Control Arm. In our 3-05-04 email to Jeff Wilson and Larry Bernthal we requested written balance out releases from Delphi. We advised we would not order any more castings or components until ending requirements are known and in writing. Larry advised that balance out numbers may be available the week of 3-15 but that has come and gone with no direction.

In the past months we have produced/shipped 800 pair of arms in January, 1776 pair of arms in February, 624 pair of arms in March and requirements for April are bouncing around like a rubber ball. Keep in mind that this line is tooled for 250,000 pair of arms per year. With no balance out numbers, no planning numbers, and Wilmington working a week and then being down for two weeks we are totally in the dark. How does one plan production or order raw material?

We've discussed pricing for steel scrap surcharges, Euro adjustment charges and under absorption charges, all being denied by Delphi. We recently submitted program cancellation charges and have no idea what Delphi's position is pertaining to this issue.

As stated earlier today we need to order castings to support pending builds at Wilmington but cannot and will not until this cancelled program gives us clear definition on all issues. Aaron we need your help ASAP!

Please advise by the end of business today as to acceptance of the control arm program cancellation charges and balance out release quantities. No shipments can be made to Delphi until we get some specific direction on what is totally required. As we discussed earlier "someone knows" and it needs to be shared. Please call either Mike Jaska or myself if you need any additional information. Awaiting your reply...

Bill Best
General Products Corp.

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Mike Jaska

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